



Pamela S. Hokanson
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May 8, 2007

US EPA Region 5
Director, Superfund Division
77 W. Jackson Blvd.
Chicago, IL 60604



Attention: Mr. Richard C. Karl

Dear Mr. Karl:

Enclosed please find the following payment bonds as evidence of financial security provided by **Millennium Holdings LLC** for our portion of the Plainwell Impoundment Area Time Critical Removal Action and the Allied Paper/Portage Creek/Kalamazoo River Superfund Site OU5 SRI/FS:

- Bond Number **KO7545435** - Time Critical Removal Action at Plainwell, Docket number V-W-07-C-863
- Bond Number **KO7545423** - Kalamazoo River, SRI/FS, Docket number V-W-07-C-864

Please direct any questions or responses regarding the bonds to me at the address above. For other information regarding Millennium's participation in the above projects, contact Mr. Mark Tapp at 713-309-7156, Mark.Tapp@Lyondell.com, or the address above.

Sincerely,

Pamela S. Hokanson

Enclosures

CC: US EPA Region 5 - C-14J (cover only)
Attn: Ms. Eileen Furey
77 West Jackson Blvd.
Chicago, Illinois 60604

US EPA Region 5 - C-14J (cover only) ✓
Attn: Ms. Jacquie Clark
77 W. Jackson Blvd.
Chicago, IL 60604



ace usa

ACE USA
ACE Surety
436 Walnut Street
Philadelphia, PA 19106-3703
www.ace-usa.com

PAYMENT BOND

Surety's Payment Bond Number: KO7545435
Date of Execution of Payment Bond: May 1, 2007
Effective Date of Payment Bond: May 1, 2007
Total Dollar Amount of Payment Bond: \$11,550,000.00

Principal:

Legal Name and Address: Millennium Holdings, LLC
1221 McKinney Street, Suite 700
Houston, TX 77010

Type of Organization: Manufacturing
State of Organization: Delaware

Surety:

Legal Name and Address: Westchester Fire Insurance Company
1601 Chestnut Street, P. O. Box 41484
Philadelphia, PA 19101-1484

Type of Organization: Insurance
State of Organization: New York

Beneficiary:

Legal Name and Address: Region 5, US EPA
Superfund Division
77 W. Jackson Blvd.
Chicago, IL 60604

Site Information:

Site Information:

Name and Location of Site: Plainwell Impoundment Area, Allied Paper/Portage
Creek/Kalamazoo River Superfund Site
Allegan and Kalamazoo Counties, Michigan

EPA Identification Number: 59B

Agreement Governing Site Work: *That certain Administrative Settlement Agreement
and Order on Consent dated February 28, 2007, by
and among The United States of America, the State of
Michigan, and Respondents Millennium Holdings, LLC
and Georgia-Pacific Corporation (the "Agreement")*

KNOW ALL PERSONS BY THESE PRESENTS, THAT:

WHEREAS, said Principal is required, under the above-described Agreement entered pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), to perform the "Work" as defined in such Agreement (hereinafter, the "Work") and to fulfill its other obligations as set forth therein; and

WHEREAS, said Principal is required by the Agreement to provide financial assurance securing its full and final completion of the Work.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto hereto agree as follows:

1. The Principal and Surety hereto are firmly bound to the United States Environmental Protection Agency (hereinafter, "EPA"), in the above Total Dollar Amount, for the payment of which we, the Principal and Surety, bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, subject to and in accordance with the terms and conditions hereof.
2. The conditions of the Surety's obligation hereunder are such that if the Principal shall promptly, faithfully, fully, and finally complete the Work in accordance with the terms of the Agreement, the Surety's obligation hereunder shall be null and void; otherwise it is to remain in full force and effect.
3. The Surety shall become liable on the obligation evidenced hereby only upon the commencement of any Work Takeover (as such term is defined in the Agreement) pursuant to and in accordance with the terms of the Agreement. At any time and from time to time upon notification by the EPA Regional Administrator or Regional Superfund Director for EPA Region that a Work Takeover has commenced, the Surety shall promptly (and in any event within fifteen (15) days after receiving such notification) pay funds up to the Total Dollar Amount in such amounts and to such person(s), account(s), or otherwise as the EPA Regional Administrator or Regional Superfund Director may direct. If the Surety does not render such payment within the specified 15-day period, the Surety shall be deemed to be in default of this Payment Bond and EPA shall be entitled to enforce any remedy available to it at law, in equity, or otherwise.
4. The liability of the Surety shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the Total Dollar Amount of this Payment Bond, but in no event shall the aggregate obligation of the Surety hereunder exceed the amount of said sum.
5. The Surety may cancel this Payment bond only by sending notice of cancellation to the Principal and to the EPA Regional Administrator for EPA Region, provided, however, that no such cancellation shall be effective during the 120-day period beginning on the date of receipt of the notice of cancellation by both the Principal and the EPA Regional Administrator. If after ninety (90) days of such 120-day period, the Principal has not established a replacement financial assurance mechanism pursuant to and in accordance with the terms of the Agreement, EPA shall have the right to draw upon the full amount of this Payment Bond.

6. The Principal may terminate this Payment Bond only by sending written notice of termination to the Surety and to the EPA Regional Administrator for EPA Region provided, however, that no such termination shall become effective unless and until the Surety receives written authorization for termination of this Payment Bond by the EPA Regional Administrator.

7. Any modification, revision, or amendment which may be made in the terms of the Agreement or in the Work to be done thereunder, or any extension of the Agreement, or other forbearance on the part of either the Principal or EPA to the other, shall not in any way release the Principal and the Surety, or either of them, or their heirs, executors, administrators, successors or assigns from liability hereunder. The Surety hereby expressly waives notice of any change, revision, or amendment to the Agreement or to any related obligations between the Principal and EPA.

8. The Surety shall immediately notify EPA of any of the following events: (a) the filing by the Surety of a petition seeking to take advantage of any laws relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts; (b) the Surety's consent to (or failure to contest in a timely manner) any petition filed against it in an involuntary case under such bankruptcy or other laws; (c) the Surety's application for (or consent to or failure to contest in a timely manner) the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator, or the like of itself or of all or a substantial part of its assets; (d) the Surety's making a general assignment for the benefit of creditors; or (e) the Surety's taking any corporate action for the purpose of effecting any of the foregoing. The Surety shall also immediately notify EPA if, at any time, the Surety ceases to be listed as an acceptable surety for Federal bonds in Circular 570 of the U.S. Department of the Treasury.

9. Any provision in this Payment Bond that conflicts with CERCLA or any other applicable statutory or legal requirement shall be deemed deleted here from and provisions conforming to such statutory or legal requirement shall be deemed incorporated herein.

10. All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, to the address shown on this first page of this Payment Bond.

All notices, elections, requests and demands under this Payment Bond shall be effective and deemed received upon the earliest of (a) the actual receipt of the same by personal delivery or otherwise, (b) one (1) business day after being deposited with a nationally recognized overnight courier service, as required above, or (c) three (3) business days after being deposited to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, election, request, or demand sent.

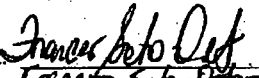
11. The Surety hereby agrees that the obligations of the Surety under this Payment Bond shall be in no way impaired or affected by any winding up, insolvency, bankruptcy or reorganization of the Principal or by any other arrangement or rearrangement of the Principal for the benefit of creditors.


12. No right of action shall accrue on this Payment Bond to or for the use of any person other than EPA or the executors, administrators, successors or assigns of EPA.

IN WITNESS WHEREOF, the Principal and Surety have executed this Payment Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby represent, warrant, and certify that they are authorized to execute this Payment Bond on behalf of the Principal and Surety, respectively.

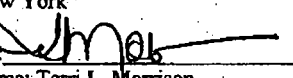
PRINCIPAL: Millennium Holdings, LLC
a limited liability company organized and in good standing in State of Delaware

Attest: 
Name: FRANCIS SOTO-ORTIZ

By: 
Name: M.F. WILSON
Title: Asst. Treasurer

SURETY: Westchester Fire Insurance Company
a corporation organized and in good standing in State of New York

Attest: 
Name: Tannis Mattson

By: 
Name: Terri L. Morrison
Title: Attorney-in-Fact

CORPORATE ACKNOWLEDGEMENTS

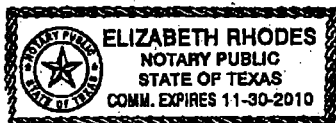
STATE OF Texas
SS:
COUNTY OF Harris

On May 7, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Mark E. Nixson, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) I (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

James Bobbitt
Notary Public

STATE OF TEXAS
SS:
COUNTY OF HARRIS

On May 1, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Terri L. Morrison, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) I (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.



Elizabeth Rhodes
Notary Public

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the State of New York, having its principal office in the City of Atlanta, Georgia, pursuant to the following Resolution, adopted by the Board of Directors of the said Company on November 8, 1999, to wit:

- "RESOLVED, that the following Rules shall govern the execution by the Company of bonds, underwritings, recognizances, contracts and other writings in the future thereof:
- (1) That the President, any Senior Vice President, any Vice President, and Assistant Vice President, or any Attorney-in-Fact, may execute for and on behalf of the Company any and all bonds, underwritings, recognizances, contracts and other writings in the future thereof, as provided in the preceding paragraph, by the Company Secretary, or any Assistant Secretary, or any other Officer (hereinafter "Officer") of the Company, at Atlanta or at any place to which the Company may from time to time move its principal office, and to sign the seal of the Company thereon.
 - (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested to by the Corporate Secretary.
 - (3) The signature of the President, or a Senior Vice President, or a Vice President, or an Assistant Vice President and the seal of the Company may be attested by any power of attorney granted pursuant to this Resolution, and the signature of a duly authorized Officer and the seal of the Company may be attested by any certificate of any such power, and any such power or certificate bearing such valid signature and seal shall be valid and binding on the Company.
 - (4) Such duly authorized Officers of the Company, and Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company, and any affidavit or record of the Company necessary to the discharge of their duties.
 - (5) The passage of this Resolution does not revoke any writing authority granted by resolutions of the Board of Directors."

Does hereby nominate, constitute and appoint JANNIS MATTSO, MELISSA HADDICK, TERRI L. MORRISON, JACQUELINE KIRK, JOE MARTINEZ, DONALD R. GIBSON, GINA RODRIGUEZ and ROBERT L. BRUCE all of the City of Houston, State of Texas, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf and as its act and deed any and all bonds, underwritings, recognizances, contracts and other writings in the future thereof in penalties not exceeding Twenty-Five Million Dollars (\$25,000,000) and the execution of such writings in pursuance of these presents shall be as binding upon said Company as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice President, has hereunto subscribed his name and affixed the corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY the 23rd day of October, 2006.



WESTCHESTER FIRE INSURANCE COMPANY

Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

On this 25th day of October, A.D. 2006, before me, a Notary Public of the Commonwealth of Pennsylvania and for the County of Philadelphia came Stephen M. Haney, Vice President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company, that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



NOTARIAL SEAL
Kathleen Turi, Notary Public
Philadelphia, Philadelphia County
My commission expires September 22, 2007

Notary Public

I, the undersigned Secretary of WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

Witness whereof, I have hereunto subscribed my name as Secretary, and affixed the corporate seal of the Corporation, this 17th day of May, 2007.



George D. Mulligan, Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER October 25, 2008.